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## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 25 day of September , 2008, between Ricky L. Burge, a single man Lessor (whether one or more), whose address is: 432 Mistys Run Keller, Texas 76248, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102,

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced Tarrant, State of Texas, and is described as follows:

0.262 acres, more or less, out of the Tandy K. Martin Survey, Abstract No. 1055, and being Lot 16, in Block 2, of Glenann, an Addition to the City of North Richland Hills, Tarrant County, Texas, according to the Plat thereof recorded in Volume 388-77, Page 47, Plat Records, Tarrant County, Texas, and being those same lands more particularly described in a Warranty Deed with Vendor's Lien Page, 930. Deed Records, Tarrant County, Texas and amendments thereof, including streets, easements and alleyways adjacent Page, 930, Deed Records, Tarrant County, Texas and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

This is a non-development Oil, Gas and Mineral Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's lease.

This clause shall take precedence over any references to surface operations contained within the preprinted portion of this

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument or unrecorded instrument or (b) complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain <u>0.262</u> acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years with no cessation for more than ninety (90) consecutive days.
- with no cessation for more than ninety (90) consecutive days.

  3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25%, part of all oil produced and saved by Lessee from said land or from time to time, at the option of Lessee, to pay Lessor the average case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land or in the manufacture of gasoline or other produces, the market value, at the mouth of the well, or (2) when used by Lessee (or 10) to pay Lessor on all other minerals mined and marketed or utilized by Lessee, computed at the mouth of the well, or (2) when used by Lessee (or 10) to pay Lessor on all other minerals mined and marketed or utilized by Lessee, computed at the mouth of the well, or (2) when used by Lessee (or 10) to pay Lessor on all other minerals mined and marketed or utilized by Lessee (or 10) to pay Lessor on all other minerals mined and marketed the royalty shall be one dollar (\$1.00) per long to ... If at the expiration of the well or or producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though opposed, capable of producing oil or gas, and all such wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had facilities of flow lines, separator, and lease tank, and shall not be obligated to install or furnity facilities other than well facilities and ordinary lease if flow lines, separator, and lease tank, and shall not be obligated to install or furnity facilities other than well facilities and ordinary lease if flow lines, separator, and lease tank, and shall not be obligated to install or furnity facilities other than well facilities and ordinary lease of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to continued in force solely b
- as signment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, as to acreage owned by geach.

  4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, lipus 10% acreage telerance, provided, however, units may be established as to any one or more horizons, or existing units may be entered any one or more horizons, or existing units may be entered any one or more horizons, or existing units may be entered any one or more horizons, or existing units may be entered any one or more horizons, or existing units may be entered any or the original of the provided and the subsurface acres plus or from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted are required under any cold emmental rule or order, for the diffling or operation of a required by such governmental order or rule. Lessee shall exercise said option as to each desired unit shall become effective on the deaf for in said instrument or instruments but if said instrument or instruments may be exercised by Lessee that the shall become effective or or the deaf for in said instrument or instruments are so filed in the condition of the training that the condition of the size of the date of the condition of the said and instrument or instruments but if said instrument or instruments are so filed for instruments make no such provision, then such as a formal proposes of the late of instrument or instruments are so filed for instruments make no such provision, then such as a formal proposes of the late of the deaf so the date of the

or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement change or division in the ownership of said land or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, not be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be after service of such notice on Lessee. Neither the service of said notice nor the doing of any action shall be brought until the lapse of sixty (60) days alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein, all or only in the proportion which the interest or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, producing or other operations conducted on said land. Nothing lease be deemed operations conducted on said land. this lease,
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to exten primary notice to above, t	The consideration paid for this lease sha	in a directional well for the purpose of drilling, reworking, producing or other for purposes of this lease be deemed operations conducted on said land y any surface restrictions or pooling provisions or restrictions contained in all also constitute consideration for an option to the Lessee, its successors and a second two (2) year term. This option may be exercised anytime during the restrictions of \$20,000.00 per net mineral acre. The bonus payment shall contain the second effect as if the original primary term was five (5) years.
LESSOF	Ricky L. Burge	LESSOR:
COUNT	OF <u>TEXAS</u> }  Y OF <u>TARRANT</u> }  rument was acknowledged before me on t	(ACKNOWLEDGMENT FOR INDIVIDUAL) he <u>25</u> day of <u>September</u> , 2008 by <u>Ricky L. Burge, a single man</u>
Seal:	JAMES JEFFREY PROCTOR Notary Public, State of Texas My Commission Expires June 27, 2012	Signature Anna Rotary Public Rotary

June 27, 2012

Seal: